CLAIM AMENDMENTS

1. (Currently amended) A method of placing ads in a digital video stream, comprising:

detecting that the digital video stream should change from a first mode to a second mode;

obtaining an ad, wherein the ad is determined by a relationship between the first mode and the second mode; and

placing the ad into the video stream such that (i) at least a first portion of the ad is displayed along with video of the first mode, or (ii) at least a second portion of the ad is displayed along with video of prior to displaying the second mode.

- 2. (Original) A method of claim 1, wherein the relationship between the first mode and the second mode is a lead-in.
- 3. (Original) A method of claim 1, wherein the relationship between the first mode and the second mode is a lead-out.
 - 4-6. (Cancelled)
- 7. (Original) A method of claim 1, wherein the ad is obtained in real-time.

- 8. (Original) A method of claim 1, wherein the ad is further determined by an ad placement engine.
- 9. (Original) A method of claim 1, wherein the ad is further determined by previously collected user information.
- 10. (Original) A method of claim 1, wherein the ad is further determined by an ad placement engine using context information and previously collected user information.
- 11. (Original) A method of claim 1, wherein the ad is placed in a digital video recorder.
 - 12. (Original) A method of claim 1, wherein the ad is an animation.
 - 13. (Original) A method of claim 1, wherein the ad is dynamically placed.
- 14. (Currently amended) A method of placing ads in a digital video stream, comprising:

detecting that the digital video stream should change from a first mode to a video playback mode;

obtaining a lead-in ad; and

placing the lead-in ad into the video stream such that (i) at least a first portion of the ad is displayed along with video of the first mode, or (ii) at least a second portion of the ad is displayed along with video of prior to displaying the video playback mode.

15. (Currently amended) A method of placing ads in a digital video stream, comprising:

detecting that the digital video stream should change from a video playback mode to a second mode;

obtaining a lead-out ad; and

placing the lead-out ad into the video stream such that (i) at least a first portion of the ad is displayed along with video of the video playback mode, or (ii) at least a second portion of the ad is displayed along with video of prior to displaying the second mode.

16-17. (Cancelled)

18. (Currently amended) A method of placing ads into a digital video stream, comprising:

receiving notification that the digital video stream should change from a first mode to a second mode;

obtaining an ad, wherein the ad is determined by a relationship between the first mode and the second mode; and

sending an ad to be placed into an output video stream such that (i) at least a first portion of the ad is displayed along with video of the first mode, or (ii) at least a second portion of the ad is displayed along with video of prior to displaying the second mode.

19. (Currently amended) A digital video recorder for placing an ad into a digital video stream, comprising:

means for detecting that the video stream should change from a first mode to a second mode;

means for obtaining an ad, wherein the ad is determined by a relationship between the first mode and the second mode; and

means for placing an ad into an output video stream such that (i) at least a first portion of the ad is displayed along with video of the first mode, or (ii) at least a second portion of the ad is displayed along with video of prior to displaying the second mode.

20. (Currently amended) A computer software product having instructions stored thereon for instructing a computer executable by a computer processor to perform a method for placing an ad into a digital video stream, comprising:

instructions configured to detect that the video stream should change from a first mode to a second mode;

instructions configured to obtain an ad, wherein the ad is determined by a relationship between the first mode and the second mode; and

instructions configured to place an ad into an output video stream such that (i) at

least a first portion of the ad is displayed along with video of the first mode, or (ii) at least a second portion of the ad is displayed along with video of prior to displaying the second mode.

21. (New) The method of claim 1,

wherein detecting that the digital video stream should change from the first mode to the second mode is carried out by software of a digital video recorder.

- 22. (New) The method of claim 1, wherein placing the ad into the video stream is carried out such that the at least a first portion of the ad is displayed along with video of the first mode and the at least a second portion of the ad is displayed along with video of the second mode.
 - 23. (New) The method of claim 1,

wherein the ad is a still ad comprising an individual frame,

the method further comprising:

replicating the individual frame a number of time to fill up a designated time segment that the ad is displayed.

24. (New) The method of claim 1, wherein the first portion of the ad displayed along with the video of the first mode comprises a mini-ad that occupies less than an entire screen that is displaying the first portion of the ad and the video of the first mode.

- 25. (New) The method of claim 1, wherein the second portion of the ad displayed along with the video of the second mode comprises a mini-ad that occupies less than an entire screen that is displaying the second portion of the ad and the video of the first mode.
- 26. (New) The method of claim 1, wherein the ad is partially transparent.